

Wealth Preservation Checklist

Business Planning Issues

- Business owners, do you have a buy/sell agreement in place? YES _____ NO _____

If not, what have you done about succession planning?

- Also, is funding in place to implement the buy/sell agreement or to pay any taxes that may arise on a transfer?

YES _____ NO _____

- Is an S corporation election appropriate for your business? YES _____ NO _____

- Does your company pay significant capital stock or corporate net income tax?

YES _____ NO _____

- If you own a business, have you reviewed retirement planning alternatives for you and your employees?

YES _____ NO _____

- Are you a member of the board of directors of a for-profit or nonprofit organization?

YES _____ NO _____

If so, do you have appropriate liability coverage and directors and officers liability coverage for these positions?

YES _____ NO _____

Estate and Insurance

- Have you recently reviewed your life insurance needs and coverage?

YES _____ NO _____

This analysis should include consideration of replacing lost income, paying current liabilities such as a mortgage or federal estate taxes, and paying any future liabilities such as a child's college education.

- Have you reviewed your estate and estate plan? YES _____ NO _____

Many rules have changed in this area during 2001. Many of the rules are phased in over a number of years. In most circumstances it is appropriate to review the size of the estate, the related planning opportunities, and the documents that are in place to implement these opportunities.

- Do you have any dependents or other family members who have special needs or physical disabilities that need to be considered in your planning?

YES _____ NO _____

- Have you considered guardians, executors, or trustees who can be named in your current planning documents?

YES _____ NO _____

- Are all members of your family U.S. citizens? YES _____ NO _____

If some are not, the estate marital deduction is limited. There are planning techniques that should be explained to clients in this case.

- Have you considered creating an irrevocable life insurance trust and transferring ownership of your life insurance to that trust?

YES _____ NO _____

This can be a very effective estate planning and financial planning technique for some clients.

- Do you have adequate disability insurance coverage, which ensures that you will get paid a percentage of your salary while you are unable to work?

YES _____ NO _____

- Have you reviewed your property insurance coverage recently? YES _____ NO _____

Is the coverage adequate for the value of your home and other property?

YES _____ NO _____

Are there special circumstances that need to be considered in this connection? For example, do you have antiques, collectibles, jewelry, or other items that might have limited coverage under the current policy?

YES _____ NO _____

Clients may want to consider a special rider if there is significant value here. Also be sure to ask if the client needs certain specific coverage, such as for floods or earthquakes, or if the client has a business in his or her home.

- Have you examined your auto insurance coverage? Clients should review deductibles and make sure all drivers are appropriately covered.

YES _____ NO _____

- Have you reviewed your health insurance coverage to determine the appropriateness of the coverages?

YES _____ NO _____

- Have you considered purchasing long-term care insurance? YES _____ NO _____

- Do you have an umbrella policy for personal liability that provides coverage over and above your regular homeowner and auto policies? It is often appropriate for some clients to get increased coverage under this type of policy.

YES _____ NO _____

Savings

- The Internal Revenue Service changed various rules in 2001 for individual retirement accounts and required minimum distributions. Have you reviewed these matters to optimize your personal financial situation?

YES _____ NO _____

- Have you maximized amounts that you can contribute to various retirement plans, including a 401(k) and individual retirement accounts? If the client answers no, be sure to discuss the appropriateness of maximizing these contributions within the statutory limits.

YES _____ NO _____

- If you do not qualify for a traditional or a Roth IRA because of adjusted gross income limitations or will not contribute if you do qualify, have you considered making a gift to a child with earned income and making an IRA contribution on behalf of a child? This can be an extremely effective way for a client to set aside retirement money for a young child.

YES _____ NO _____

- If you have self-employment income, have you considered creating a Keogh plan, which would allow you to make a contribution based on the self— employment income?

YES _____ NO _____

- Have you considered creating a Section 529 educational plan for your children, grandchildren, or others? There are numerous aspects to these plans, including investment alternatives. These plans can be very effective and efficient plans for clients expecting to need educational monies in the future.

YES _____ NO _____

Other

- Are you involved in activities that should be covered under certain types of umbrella policies? For example, do you coach a child's athletic team? If so, it may be appropriate for your client to discuss additional coverages with his or her insurance representative.

YES _____ NO _____

- Do you have powers-of-attorney in place? YES _____ NO _____

- Have you considered living wills that provide your intent regarding life support?

YES _____ NO _____

- Have you considered creating a personal residence trust? YES _____ NO _____

- Have you considered charitable planning in your overall financial and estate plan?

YES _____ NO _____

- Do family members know where your safety deposit box and other legal and financial documents are located?

YES _____ NO _____

- If you lease an automobile, do you have lease gap coverage, which pays for the outstanding balance of the lease in the event of a total loss of the leased automobile?

YES _____ NO _____